



## **CITY OF PALO ALTO OFFICE OF THE CITY CLERK**

**February 10, 2020**

**The Honorable City Council  
Attention: Finance Committee  
Palo Alto, California**

### **Approval of Action Minutes for the January 27, 2020 Council Meeting**

Staff is requesting Council review and approve the attached Action Minutes.

**ATTACHMENTS:**

- Attachment A: 01-27-20 DRAFT Action Minutes (PDF)

Department Head: Beth Minor, City Clerk





# CITY OF PALO ALTO CITY COUNCIL DRAFT ACTION MINUTES

Special Meeting  
January 27, 2020

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:03 P.M.

Present: Cormack, Filseth, Fine, Kniss, Kou; Tanaka arrived at 6:07 P.M.

Absent: DuBois

## Closed Session

1. CONFERENCE WITH CITY ATTORNEY-POTENTIAL LITIGATION  
Subject: Implementation of California Assembly Bill 5 Effective January 1, 2020, Regarding Worker Classification  
Authority: Potential Exposure to Litigation Under Government Code Section 54956.9(d)(2) (Multiple Potential Cases, as Defendant).

**MOTION:** Council Member Kniss moved, seconded by Council Member Filseth to go into Closed Session.

**MOTION PASSED:** 5-0 DuBois, Tanaka absent

Council went into Closed Session at 6:04 P.M.

Council returned from Closed Session at 7:05 P.M.

Mayor Fine announced no reportable action.

## Minutes Approval

2. Approval of Action Minutes for the January 13, 2020 Council Meeting.

**MOTION:** Council Member Kniss moved, seconded by Council Member Cormack to approve the Action Minutes for the January 13, 2020 Council Meeting.

**MOTION PASSED:** 6-0 DuBois absent

## Consent Calendar

**MOTION:** Council Member Kniss moved, seconded by Council Member Cormack to approve Agenda Item Numbers 3-10.

# DRAFT ACTION MINUTES

3. QUASI-JUDICIAL: Deny Appeal by Crown Castle and Uphold the Director's Decisions to Deny Wireless Communication Facilities on Wood Utility Poles in the Public Right of Way (For Lease to Verizon, Known as Crown Castle Cluster 3) in six Locations Within the Downtown North Neighborhood [File 17PLN-00450], Zoned Public Facilities. Locations are Adjacent to These Zones/Addresses: RM-30 (205 Everett/251 Emerson, 243 Hawthorne, and 258 Waverley); RM-D (NP) (482 Everett and 301 Bryant); RM-15 (201 High). The Project is Exempt From the Provisions of the California Environmental Quality Act (CEQA) in Accordance With Public Resources Code Section 21080.
4. Review and Acceptance of the Annual Status Report on Development Impact Fees for Fiscal Year 2019.
5. Finance Committee Recommends the City Council: 1) Approve the Fiscal Year (FY) 2019 Comprehensive Annual Financial Report (CAFR); 2) Approve Amendments to the FY 2019 Budget in Various Funds; 3) Approve Recommended use of Excess General Fund Budget Stabilization Reserve Funds; and 4) Accept Macias Gini and O'Connell's Audit of the City of Palo Alto's Financial Statements as of June 30, 2019, and Management Letter.
6. Resolution 9878 Entitled, "Resolution of the Council of the City of Palo Alto for the City of Palo Alto to Participate With the City of Sunnyvale in the Planning and Development of Cost Estimates for Potential Future use of the Sunnyvale Materials Recovery and Transfer Station (SMaRT Station) for Processing Solid Waste."
7. Policy and Services Committee and Staff Recommend the City Council Accept the Status Updates of the Audits of: 1) Citywide Cash Handling and Travel Expense; 2) Cable Franchise and Public Education and Government (PEG) Access Fees; 3) Continuous Monitoring: Overtime; and 4) Continuous Monitoring: Payments.
8. Authorization to Amend the Existing Legal Service Agreement With the Law Firm of Colantuono, Highsmith & Whatley, PC (Contract S17167696) to Increase the Contract Amount by an Additional \$125,000, Bringing the new Not-to-Exceed Amount of the Contract to \$295,000, and Increase the Term by one Year; and to Approve a Budget Amendment in the General Fund.
9. Authorization to Increase the Existing Legal Services Agreement (Contract S18170470) With Meyers Nave, a Professional Law Corporation by an Additional \$15,000 for a Total Not-to-Exceed Amount of \$205,000 and to Extend the Term to March 30, 2020.

# DRAFT ACTION MINUTES

10. Authorization to Amend the Existing Agreement for Litigation Defense Services With the Law Firm of Jarvis, Fay & Gibson (Contract S15159508) to Increase the Contract Amount by an Additional \$125,000 for a Total Not-to-Exceed Amount of \$820,000; and Approve a Budget Amendment in the General Fund.

**MOTION PASSED:** 6-0 DuBois absent

## City Manager Comments

11. City Manager's Year in Review.

## **NO ACTION TAKEN**

## Action Items

12. Staff Update and Council Consideration Regarding Polling Results, Analysis, and Public Outreach and Potential Direction Regarding a Possible Local Tax Ballot Measure for the 2020 Election.

Council took a break at 8:37 P.M. and returned at 8:49 P.M.

**MOTION:** Council Member Tanaka moved, seconded by Council Member Kniss to direct Staff to develop a potential local tax ballot measure including but not limited to:

- A. Business Tax by Employee Headcount;
- B. Tiered tax rate; and
- C. A specific Tax.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion Part C. "...related to transportation.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion Part C. "...and housing."

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion a new Part D "consider an escalator as a preference."

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion a new Part E "Online and administratively easy filing available, including having some ability to enforce the filings."

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**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion a new Part F. "Direct Staff to do a fiscal impact study."

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion as new Part G. "0.5 percent of the General Fund."

**MOTION AS AMENDED RESTATED:** Council Member Tanaka moved, seconded by Council Member Kniss to direct Staff to develop a potential local tax ballot measure including, but not limited to:

- A. Business Tax by Employee Headcount;
- B. Tiered tax rate;
- C. A specific tax related to transportation and housing;
- D. Consider an escalator as a preference;
- E. Online and administratively easy filing available, including having some ability to enforce the filings;
- F. Direct Staff to do a fiscal impact study; and
- G. 0.5 percent of the General Fund.

**SUBSTITUTE MOTION:** Council Member Cormack moved, seconded by Council Member Filseth to direct Staff to develop a potential local tax ballot measure including, but not limited to:

- A. General Business Tax based on Employee Headcount;
- B. Raises approximately \$10 million per year;
- C. Used for transportation projects and services;
- D. Tiers with no additional exemptions that charges small businesses a flat minimal amount; and
- E. Includes an annual reporting requirement and an escalator clause.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Substitute Motion a new Part F "direct Staff to do a fiscal impact study."

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**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Substitute Motion a new Part G. "bring this back to Council directly."

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Substitute Motion Part C. "...or transportation and affordable housing."

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to amend the Substitute Motion Part F. to state "direct staff to study fiscal and business impacts through the stakeholder engagement process."

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** add to the Substitute Motion Part F. "...and recommend an economic development program"

**SUBSTITUTE MOTION AS AMENDED RESTATED:** Council Member Cormack moved, seconded by Council Member Filseth to direct Staff to develop a potential local tax ballot measure including, but not limited to:

- A. General Business Tax based on Employee Headcount;
- B. Raises approximately \$10 million per year;
- C. Used for transportation projects and services or transportation and affordable housing;
- D. Tiers with no additional exemptions that charges small businesses a flat minimal amount;
- E. Includes an annual reporting requirement and an escalator clause;
- F. Direct Staff to study fiscal and business impacts through the stakeholder engagement process, and recommend an economic development program; and
- G. Bring this back to City Council directly.

**SUBSTITUTE MOTION AS AMENDED PASSED:** 4-2 Kniss, Tanaka no, DuBois absent

- 13. Approval of: 1) Agreement Between the City of Palo Alto Representing the Cable Joint Powers and Midpeninsula Community Media Center, Inc. for Public, Education, and Government Access (PEG) Channel Support Services; 2) Memorandum of Understanding (MOU) Between the Cable

# DRAFT ACTION MINUTES

Joint Powers Covering the use of PEG Fees; 3) Contribution Agreement With Midpeninsula Community Media Center, Inc. in the Amount of \$511,536, Equivalent to PEG Fees Used for Council Chambers Upgrade Project; and 4) Amendment to the Fiscal Year 2020 Budget Appropriation in the Technology Fund.

**MOTION:** Mayor Fine moved, seconded by Council Member Kniss to:

- A. Approve a five-year agreement between the City of Palo Alto, representing the Cable Joint Powers (cities of Palo Alto, East Palo Alto, and Menlo Park, the Town of Atherton and portions of San Mateo and Santa Clara counties), and Midpeninsula Community Media Center, Inc., for public, education, and government (PEG) access channel support services;
- B. Approve and authorize the City Manager to execute a Memorandum of Understanding (MOU) between the Cable Joint Powers covering the use of PEG support fees paid by Comcast, AT&T, and any other State Franchisee;
- C. Approve and authorize the City Manager to execute a contribution agreement between the City of Palo Alto and the Midpeninsula Community Media Center, Inc., in the amount of \$511,536, equivalent to the amount in PEG support fees to be expended by the City on the Council Chambers Upgrade project;
- D. Amend the Fiscal Year 2020 Budget Appropriation Ordinance for the Technology Fund by:
  - i. Recognizing \$511,536 in Revenue from Other Agency for the City Council Chambers Upgrade (TE-19001) capital project; and
  - ii. Appropriating \$511,536 for Inter-Agency Expenses for Media Center operations.

**MOTION PASSED:** 6-0 DuBois absent

State/Federal Legislation Update/Action

None.

Adjournment: The meeting was adjourned at 10:49 P.M.